

Abstract of JP 2002230304 (A)

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PROBLEM TO BE SOLVED: To compute the value of a premium very close to a market value as to a currency option that it has been difficult for a framework of a conventional GK model to properly evaluate the premium with. SOLUTION: Vega, Vega 2, and a vanna are computed (S102, S106) from ATM flat volatility σ_{ATM} as to an object option to be evaluated and three kinds of play options and a portfolio constitution rate is computed (S108) so that the Vega, Vega 2, and vanna of the portfolio obtained by combining the object option to be evaluated and the three kinds of play options match one another. As for each play option, the difference between the premium computed from σ_{ATM} and the premium computed from a volatility market value is computed (S110) and the premium of the object option to be evaluated which is computed from σ_{ATM} is corrected with the sum of the difference amount weighted by the constitution ratio.